

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4390-06
Bill No.: SS #3 for SCS for HB 1963 with SA 1, SA 2 and SA 3
Subject: Aircraft and Airports; Consumer Protection; Disabilities; Economic Development; Emergencies; Eminent Domain and Condemnation; Highway Patrol; Insurance - Automobile; Licenses - Motor Vehicle; Licenses - Driver's; Licenses - Miscellaneous; Motor Vehicles; Optometry; Political Subdivisions; Railroads; Roads and Highways; Transportation; Taxation - Property
Type: Original
Date: May 15, 2020

Bill Summary: This proposal modifies provisions relating to transportation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2025)
General Revenue*	(Could Exceed \$3,727,392 to \$3,943,730)	(Could Exceed \$676,201 to \$933,285)	(Could exceed \$677,617)	(Could exceed \$9,526,048)
Total Estimated Net Effect on General Revenue	(Could Exceed \$3,727,392 to \$3,943,730)	(Could Exceed \$676,201 to \$933,285)	(Could exceed \$677,617)	(Could exceed \$9,526,048)

*Oversight notes the majority of FY 2025 impact (\$8,847,000) represents a continuation of existing sales tax exemptions currently set to expire December 31, 2023 (§144.805).

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 54 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2025)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2025)
Aviation Trust Fund (0952)*	\$0	\$0	\$0	\$4,979,858
Conservation Commission Fund (0609)*	\$0	\$0	\$0	(\$161,131)
Parks, Soil, & Water Funds (0613 & 0614)*	\$0	\$0	\$0	(\$128,905)
School District Trust Fund (0688)*	\$0	\$0	\$0	(\$1,289,047)
Water Patrol Division Fund (0400)	\$0	\$0	Less than \$25,000	Less than \$25,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	Less than \$25,000	Up to \$3,425,775

*Oversight notes this represents a continuation of existing sales tax exemptions that are currently set to expire December 31, 2023. (§144.805).

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2025)
General Revenue	3 to 7 FTE	3 to 7 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	3 to 7 FTE	3 to 7 FTE	3 FTE	3 FTE

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2025)
Local Government*	\$0	\$0	\$0	(\$11,800,000)

*Oversight notes this represents a continuation of existing sales tax exemptions that are currently set to expire December 31, 2023.

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints of less than 2 hours, **Oversight** was unable to receive some of the agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

§§32.300- Remote Driver's License Renewal System

Officials at the **Department of Revenue (DOR)** assume the following regarding this proposal: The Department anticipates requiring resources to communicate with optometrists, and to review vision examinations that are submitted. Due to the limited time for analysis for this fiscal note, it is unknown the amount of FTE required, but anticipates needing 0-4 FTE. If the impact of this provisions is too significant for our current staff to absorb, additional FTE will be requested through the appropriations process.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

DOR notes OA-ITSD services for system requirements for optometrist/DOR vision exam submission will be required at a cost of **\$336,528** (3,542,40 hours x \$95 per hour) in FY 2021. DOR also notes OA-ITSD services for the mobile driver's license renewal system will be required at a cost of **\$1,664,226** in FY 2021.

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

§§143.441 & 144.805 - Aviation Taxation

In response to a similar proposal from 2020 (HCS for HB 2303), officials from **Department of Revenue (DOR)** assumed Section 143.441 adds freight forwarders to the definition of corporations. DOR assumes an unknown impact on Total State Revenue and General Revenue. Additionally, the proposal would extend the sunset date on the aviation jet fuel tax in Section 144.805. This tax was to sunset on December 31, 2023 and is extended to December 31, 2033.

The extension of the sunset date will not fiscally impact the Department.

ASSUMPTION (continued)

For informational purposes, DOR provided the amount collected each of the last four years.

FY 2015	\$4,823,355
FY 2016	\$4,663,184
FY 2017	\$3,889,020
FY 2018	\$6,543,872

Oversight notes this proposal would continue to exempt jet fuel from state sales and use tax and local sales tax after the first \$1.5 million in state sales and use tax is paid. Aviation jet fuel for federal grant recipients, airports that have been approved for federal grant funds or which are otherwise eligible to apply for federal grant funds, would be exempt from local sales and use tax, at the rates that were in effect December 30, 1987.

Oversight Estimation of Forgone Sale and Use Tax Collection

The average sales tax collection by DOR between FY 2015 and FY 2018 was \$4,979,858.

Per U.S. Energy Information Administration the average purchase of jet fuel in Missouri between FY 2015 and FY 2018 was \$ 294.9 Million.

The average annual cost to the state is estimated as follows (on \$294.9 million of jet fuel sales):

Tax	Potential collection	Actual collection	Difference (forgone tax)
3% GR Sales Tax	\$8,847,000	\$0	(\$8,847,000)
Aviation Trust Fund	\$0	\$4,979,858	\$4,979,858
1% School District Trust	\$2,949,000	\$1,659,953	(\$1,289,047)
1 % Park, Soil, Water	\$294,900	\$165,995	(\$128,905)
125% Conservation	\$368,625	\$207,494	(\$161,131)
Total Tax	\$12,459,525	7,013,300	(\$5,446,225)

** Estimate does not include the loss generated by section 144.809 of this proposal.*

ASSUMPTION (continued)

Oversight used the above calculation to estimate the annual Local Sale tax loss as follows:

Oversight notes roughly the average local rate of sales & use tax percentage in Saint Louis Lambert International Airport (Lambert) and Kansas City International Airport (KCI) is 4.4 %. Therefore, Oversight will show fiscal impact to local political subdivisions as \$11.8 M (294 M (Avg. Jet Fuel Purchase) x 4.4%).

Oversight notes DOR indicated they did not anticipate a reduction in funding from Section 144.807, relative to what is currently collected, because the department is collecting \$0 revenue due to the exemption in current law. However, Oversight considers the extension of a sunset date as having an impact because the baseline of current law assumes the exemption would cease and the money would have been collected if not for this bill. Therefore, Oversight will show an unknown negative fiscal impact to General Revenue for the extension of the sales tax exemption authorized in Section 144.807.

Oversight has estimated the loss to political subdivisions as shown above for exempting aviation jet fuel used or consumed at airports which are recipients of federal grant funds, or have applied for or been approved for federal grant funds, from local sales and use tax, at the rates that were in effect December 30, 1987. Oversight assumes this proposed legislation would extend an existing provision by removing or changing the expiration date. Oversight also assumes that removing or changing the expiration date would extend any fiscal impact associated with the existing provision; therefore, Oversight will include an estimated impact in this fiscal note.

In response to a similar proposal from 2020 (HCS for HB 2303), officials from the **Department of Transportation, Department of Natural Resources, and Missouri Department of Conservation** each deferred to the DOR to estimate the fiscal impact of the proposed legislation on their respective organization.

In response to a similar proposal from 2020 (HCS for HB 2303), officials from **Department of Natural Resources (DNR)** assumed extending the sales tax exemption for aviation jet fuel could decrease the future amount of incoming revenues available in the Parks and Soils Sales Tax Funds for long term operation of Missouri's state parks and historic sites as well as assistance to agricultural landowners through volunteer programs.

The Department's Parks and Soils Sales Tax Funds are derived from one-tenth of one percent sales and use tax pursuant to Article IV Section 47(a) of the Missouri Constitution. Therefore, the sales tax exemption could result in an unknown loss to the Parks and Soils Sales Tax Funds.

ASSUMPTION (continued)

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Oversight notes roughly the average local rate of sales & use tax percentage in Saint Louis Lambert International Airport (Lambert) and Kansas City International Airport (KCI) is 4.4 %. Therefore, Oversight will show fiscal impact to local political subdivisions as \$11.8 M (294 M (Avg. Jet Fuel Purchase) x 4.4%).

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Oversight has estimated the loss to political subdivisions as shown above for exempting aviation jet fuel used or consumed at airports which are recipients of federal grant funds, or have applied for or been approved for federal grant funds, from local sales and use tax, at the rates that were in effect December 30, 1987. Oversight assumes this proposed legislation would extend an existing provision by removing or changing the expiration date. Oversight also assumes that removing or changing the expiration date would extend any fiscal impact associated with the existing provision; therefore, Oversight will include an estimated impact in this fiscal note.

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ASSUMPTION (continued)

§144.070 - Motor Vehicle Dealer Provisions

Officials from the **Department of Revenue (DOR)** assume the proposal will have no fiscal impact on their organization. DOR notes current statute authorizes dealers to collect sales tax; however, none currently do.

Oversight notes that DOR has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for DOR.

§227.476 - Memorial Highway

In response to a similar proposal from 2020 (HB 1747), officials from the **Department of Transportation (MoDOT)** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that MoDOT has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for MoDOT.

§227.600 - Tube Transport System

In response to a previous version, officials from the **Department of Transportation, Office of the Governor** and **Office of Administration** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

§§227.803 & 227.804 - Memorial Highways

In response to similar memorial highway naming proposals, officials from the **Department of Transportation (MoDOT)** assumed the proposal would have no fiscal impact on their organization.

ASSUMPTION (continued)

Oversight notes that MoDOT has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for MoDOT.

§§300.010 & 407.815 - Composition of Off-Highway Vehicles

In response to a similar proposal from 2020 (SCS for SB 876), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Update procedures;
- Update website;
- Provide notification to Powersport dealers; and
- Train staff.

FY2021- Motor Vehicle Bureau

Administrative Analyst I	20 hrs. @\$14.70 per hr.	= \$	294
Revenue Manager	10 hrs. @ \$20.59 per hr.	= \$	206
		= \$	500

FY 2021- Strategy and Communications Office

Management Analysis Specialist I	10 hrs. @ \$18.42 per hr.	= \$	184
Administrative Analyst II	20 hrs. @ \$18.75 per hr.	= \$	375
		= \$	559

Total Costs = \$ **1,059**

The Department anticipates that we will be able to absorb the above listed administrative costs. If multiple bills pass that require Department resources, FTE may be requested through the appropriations process.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

ASSUMPTION (continued)

Revenue Impact

The Department assumes that any unit that weighs less than 1,500 pounds and has a straddle seat, regardless of the width, will be considered an ATV, which must be titled and registered. However, the Department is unable to estimate if this change will have any effect on the number of units that would be titled and registered. Therefore, the Department cannot estimate the revenue impact.

Oversight is unsure of how many ATVs will now be titled and registered as a result of this proposal; therefore, Oversight will reflect an “Unknown” positive increase in revenue to the General Revenue fund. Oversight notes DOR’s website indicated a title fee of \$8.50, a registration (decal) fee of \$10.25 and a processing fee of \$6 for a total of \$24.75 per ATV.

In response to a similar proposal from 2020 (SCS for SB 876), officials from the **Missouri Department of Conservation, Department of Commerce and Insurance, Department of Transportation, Department of Natural Resources, Attorney General’s Office, Department of Public Safety - Missouri Highway Patrol, Department of Agriculture and Office of Administration** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

§301.030 - Motor Vehicle Registration Periods

In response to a previous version, officials from the **Department of Revenue, Department of Transportation and Department of Public Safety - Missouri Highway Patrol** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

§301.032 - Registration Fees for Fleet Vehicles

In response to a similar proposal from 2020 (HB 2444), officials from the **Department of Revenue** assumed the proposal would have no fiscal impact on their organization.

ASSUMPTION (continued)

In response to a similar proposal from 2020 (HB 2444), officials from the **Department of Transportation** deferred to DOR for the fiscal impact of this proposal.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Upon further inquiry, **DOR** noted no fleet registrations have been received thus far.

Oversight notes subsection 301.032.6 was added to the Missouri Revised Statutes in 2019 (SB 89). Oversight assumes this proposal may possibly impact future revenues (or it could simply be clarifying language); however, since no fleet registration fees have been collected regarding this subsection thus far, Oversight will not reflect a fiscal impact from these changes.

§§301.140, 301.190, 301.210, 301.213, 301.280 & 301.560 - Transportation Provisions

In response to a similar proposal from 2020 (SCS for SB 780), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Update internal procedures;
- Update the department website;
- Update the Missouri Titling Manual and Dealer Operating Manual;
- Create a new form;
- Update title penalty chart
- Train internal staff;
- Implement ITSD changes; and
- Send communications to power sport and motor vehicle dealers.

FY 2021 – Motor Vehicle Bureau

Administrative Analyst I	80 hrs. @ \$14.70 per hr.	= \$1,176.00
Management Analysis Specialist I	120 hrs. @ \$18.42 per hr.	= \$2,210.40
Management Analysis Specialist II	30 hrs. @ \$20.57 per hr.	= \$ 617.10
Revenue Manager	10 hrs. @ \$20.59 per hr.	= \$ 205.90

ASSUMPTION (continued)

FY 2021 – Strategy and Communications Office

Management Analysis Specialist I	50 hrs. @ \$18.42 per hr.	= \$ 921.00
Administrative Analyst II	20 hrs. @ \$18.75 per hr.	= \$ 375.00
Total Costs		= \$5,505.40

Oversight assumes DOR could absorb these additional responsibilities (listed above) within their current appropriation levels.

FTE Impact

DOR anticipated the need for three (3) additional FTE positions (2 FTE Management Analysis Specialists I at \$38,304 annually and 1 FTE Admin. Office Support Assistant at \$28,668 annually) to review and process these transactions. Anytime a dealer fails to provide a title to a purchaser within 60 days of the purchase date, the Department must take action against the selling dealers bond, and determine the amount in which the bond payout will be. DOR will also have to handle appeals when the bond claim decision the Director makes a determination of is appealed. Due to the complex nature of these transactions, the department requires two of these positions be Management Analysis Specialists I and one position be an Administrative Office Support Assistant to implement the proposed legislation.

Total Number of Dealer Sales Per Calendar Year

2017 – 1,200,814
2018 – 1,179,181
2019 – 1,184,036

Average number of dealer sales per year – 1,188,010

The following is based on the assumption that one-half percent (0.5%) of dealer sales per year will result in the need for the director to determine the amount paid from the bond, release of the bond and prepare documents for an administrative hearing commission appeals regarding the director's determination.

ASSUMPTION (continued)

1,188,010	average number of dealer sales per calendar year
x 0.5%	percentage of sales regarding dealer bond action
5,940	number of dealer sales per calendar year requiring bond action
/ 252	number of work days per year
24	number of dealer sales per work day the Department anticipates will require a bond claim determination.

DOR assumes a cost for these FTE to total approximately \$170,000 per year.

DOR also assumes the following costs to their systems:

1.	TRIPS	\$13,441
2.	Online NOS	\$13,441
3.	TRPA	\$13,441
4.	DMVC	\$13,441
5.	DNOS	\$13,441
6.	DDLRL	\$13,441
7.	Del-Fee	<u>\$20,212</u>
TOTAL		\$100,858

In addition, DOR states due to the customer not being provided the title at the time of sale, DOR could experience an unknown loss of interest due to the delay in an unknown amount of sales tax collection.

In response to a similar proposal from 2020 (SCS for SB 780), officials from the **Department of Transportation and Attorney General's Office** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

§301.193 - Abandoned Property Provisions

In response to a similar proposal from 2020 (HCS for HB 1952), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

ASSUMPTION (continued)

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Update four internal procedures;
- Update the Notice of Failure to Present Certificate of Title (Form 5044);
- Update the Notice To Owner(s) and Lienholder(s) Regarding Abandoned Vehicle, All Terrain Vehicle (ATV), Vessel, Watercraft, Outboard Motor and Trailer (Form 5227);
- Update the department website;
- Update Abandoned Vehicle Manual;
- Create three new forms to accommodate the new provisions; and
- Send communications to used motor vehicles dealers.

FY 2021 - Motor Vehicle Bureau

Administrative Office Support Assistant	10 hrs. @ \$13.78 per hr.	= \$137.80
Administrative Analyst I	80 hrs. @ \$14.70 per hr.	= \$1,176.00
Revenue Manager	20 hrs. @ \$20.59 per hr.	= \$411.80

FY 2021 - Strategy and Communications Office

Management Analysis Specialist I	90 hrs. @ \$18.42 per hr.	= \$1,657.80
Administrative Analyst II	40 hrs. @ \$18.75 per hr.	= \$750.00

Total Costs = **\$4,133.40**

The Department anticipates being able to absorb the above listed administrative costs. If multiple bills pass that require Department resources, FTE may be requested through the appropriations process.

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

Officials from the **Department of Commerce and Insurance (DCI)** assume the proposal will have no fiscal impact on their organization.

Oversight notes that DCI has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for DCI.

ASSUMPTION (continued)

§301.564 - Licensure for Boat Manufacturers and Dealers

In response to a similar proposal from 2020 (HB 1489), officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that MHP has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this agency.

In response to a similar proposal from 2020 (HB 1489), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

FY2020 - Motor Vehicle Bureau

The impact to the Motor Vehicle Bureau is minimal. The Department will be responsible for updating procedures, correspondence letters, and the Dealer Operating Manual. The Department will also be responsible for sending out notifications to all boat dealers and boat manufacturers via GovDelivery.

Administrative Office Support Asst.	15 hrs. @ \$13.78 per hr.	= \$206.70
Revenue Manager	5 hrs. @ \$20.59 per hr.	= <u>\$102.95</u>
Total		\$309.65

FY2020 - Administration Division, Communications Bureau

Administrative Analyst I	15 hrs. @ \$14.70 per hr.	= \$220.50
Management Analysis Spec I	15 hrs. @ \$18.42 per hr.	= <u>\$276.30</u>
Total		\$496.80

The Department anticipates being able to absorb the costs associated with this legislation. If multiple bills pass that require Department resources, the Department may request FTE through the appropriations process.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

ASSUMPTION (continued)

§301.576 - Third-Party Motor Vehicle Reports

In response to a similar proposal from 2020 (HCS For HB 1959), officials from the **Department of Revenue, Attorney General's Office, Department of Commerce and Insurance and Office of the State Courts Administrator** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

§§301.3069 & 301.3159 - Special License Plates

In response to a similar proposal from 2020 (HCS for HB 1473), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Update procedures and the Department website;
- Update the Application for Missouri Personalized and Special License Plate (DOR-1716);
- Communicate with the Central Missouri Honor Flight for development of the license plate;
- Develop the Meritorious Service Medal license plate design; and
- Complete programming and user acceptance testing for identified systems.

FY 2021 - Motor Vehicle Bureau

Management Analysis Spec I	480 hrs. @ \$18.42 per hr.	= \$8,842
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FY 2021 - Strategy and Communications Office

Administrative Analyst III	20 hrs. @ \$19.80 per hr.	= \$ 396
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FY 2021 - General Services Bureau

Administrative Office Support Assistant	10 hrs. @ \$13.78 per hr.	= \$ 138
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Total Costs		= \$9,376
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ASSUMPTION (continued)

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the administrative personnel costs related to this proposal.

Set-up cost:

DOR noted the Department is charged \$215 for the initial set-up, design, and programming for a new specialty plate for passenger, truck, RV, disabled and motorcycle plates. This is a one-time fee that will be charged for each plate upon passage of this bill for a cost of **\$430** in FY 2021.

Plate manufacturing cost:

The Department pays \$3.75 per plate for manufacturing flat plates through Missouri Vocational Enterprises (MVE).

It is unknown how many applicants would apply for these license plates. The Department is assuming 200 applicants per year at a cost to the Department of **\$625** (10 months) in FY 2021 and **\$750** in FY 2022 and FY 2023.

It is unknown how many eligible Missouri residents would apply for the Meritorious Service Medal plate license plate. If the Department receives 200 applicants per year, the cost to the Department would be **\$625** (10 months) in FY 2021 and **\$750** in FY 2022 and FY 2023.

Mailings:

It currently cost the Department, on average, \$5.55 to ship a box of 10 sets of plates to contract offices once they have completed the manufacturing process through MVE.

The mailing cost will be **\$93** (10 months) in FY 2021 and **\$111** in FY 2022 and FY 2023.

Note: \$5.55 is an average cost, as the cost may decrease or increase based on the weight of the package, the area to which it is being sent, and how many boxes are being sent at one time.

The Department would incur an additional postage cost for mailing notifications to those applicants notifying them their plates are ready for pickup at the respective license office.

Assuming 200 applications per year for each plate at a cost of **\$206** (10 months) in FY 2021 and **\$246** in FY 2022 and FY 2023 for letters (\$0.025), envelopes (\$0.040), and postage (\$0.55).

ASSUMPTION (continued)

DOR noted OA-ITSD services will be required at a cost of **\$12,620** in FY 2021 (132.84 x \$95 per hour).

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the supply and mailing costs related to this proposal. Oversight will reflect the OA-ITSD costs of \$12,620 on the fiscal note.

Revenue Impact

DOR noted this legislation will result in an increase in the \$15 specialty plate reservation fees collected. It is unknown how many applicants will elect to obtain these specialty plates, but the increase should be minimal. \$15 specialty plate reservation fees are split 75-15-10 to Highways, Cities, and Counties.

Oversight assumes the increase in revenue will be minimal; therefore, Oversight will not reflect the potential increase on the fiscal note.

In response to a similar proposal from 2020 (HCS for HB 1473), officials from the **Department of Transportation (MoDOT)** deferred to DOR for the fiscal impact of this proposal.

§301.3174 - Special License Plates for the Association of Missouri Electric Cooperatives

In response to a similar proposal from 2020 (HCS for HB 2040), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Update procedures and the Department website;
- Update the Application for Missouri Personalized and Special License Plates (DOR-1716);
- Communicate with the Association of Missouri Electric Cooperatives for development of the license plate; and
- Complete programming and user acceptance testing for identified systems.

ASSUMPTION (continued)

FY 2021 - Motor Vehicle Bureau

Management Analysis Spec I 240 hrs. @ \$18.42 per hr. = \$4,421

FY 2021 - Strategy and Communications Office

Administrative Analyst III 10 hrs. @ \$19.80 per hr. = \$ 198

FY 2021 - General Services Bureau

Administrative Office Support Assistant 5 hrs. @ \$13.78 per hr. = \$ 69

Total Costs = **\$4,688**

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

DOR- ITSD noted this bill would allow a personalized specialty plate registration in excess of 24,000 pounds to update and produce a renewal notice. The AMEC truck plates 18,000 to 80,000 will not be an annual registration; they will expire in December, be prorated monthly and will not have a grace period to February.

Changes would be:

- modify program DM50020 to allow weights for specific plate types; and
- modify program DM50040 to allow for 1 or 2 plates and for allowing heavy plates

DOR noted OA-ITSD services will be required at a cost of **\$40,528** in FY 2021 (426.6 hours x \$95 per hour).

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

Revenue Impact

DOR noted this legislation will result in an unknown, but potentially minimal increase in the \$15 specialty plate reservation fees collected since more vehicles will be eligible for them. \$15 specialty plate reservation fees are split 75-15-10 to Highways, Cities, and Counties.

ASSUMPTION (continued)

Oversight assumes the increase in revenue will be minimal; therefore, Oversight will not reflect the potential increase on the fiscal note. Oversight notes the Association of Missouri Electric Cooperatives specialty license plate was authorized in 2019. As of February 3, 2020, there have been no plates issued. DOR still needs the \$5,000 fee and 200 applications before these plates can be issued.

In response to a similar proposal from 2020 (HCS for HB 2040), officials from the **Department of Transportation (MoDOT)** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that MoDOT has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for MoDOT.

§301.3176 - “Backstoppers” Special License Plate

In response to a similar proposal from 2020 (HB 2429), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Update procedures and the Department website;
- Update the Application for Missouri Personalized and Special License Plate (DOR-1716);
- Communicate with the BackStoppers organization for development of the license plate; and
- Complete programming and user acceptance testing for identified systems.

FY 2020 - Motor Vehicle Bureau

Management Analysis Spec I	240 hrs. @ \$18.42 per hr.	= \$4,421
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FY 2020 - Strategy and Communications Office

Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$ 198
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FY 2020 - General Services Bureau

Administrative Office Support Assistant	5 hrs. @ \$13.78 per hr.	= \$ 69
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Total Costs		= \$4,688
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ASSUMPTION (continued)

Set-up cost:

The Department is charged **\$215** for the initial set-up, design, and programming for a new specialty plate for passenger, truck, RV, disabled and motorcycle plates. This is a one-time fee that will be charged upon passage of this bill in FY 2021.

Plate manufacturing cost:

The Department pays \$3.75 per plate for manufacturing flat plates through Missouri Vocational Enterprises (MVE).

It is unknown how many applicants would apply for these license plates. The Department is assuming 200 applicants per year at a cost to the Department of **\$625** (10 months) in FY 2021 and **\$750** in FY 2022 and FY 2023.

Mailings:

It currently costs the Department, on average, \$5.55 to ship a box of 10 sets of plates to contract offices once they have completed the manufacturing process through MVE.

The mailing cost will be **\$93** (10 months) in FY 2021 and **\$111** in FY 2022 and FY 2023.

Note: \$5.55 is an average cost, as the cost may decrease or increase based on the weight of the package, the area to which it is being sent, and how many boxes are being sent at one time.

The Department would incur an additional postage cost for mailing notifications to those applicants notifying them their plates are ready for pickup at the respective license office.

Assuming 200 applications per year at a cost of **\$103** (10 months) in FY 2021 and **\$123** in FY 2022 and FY 2023 for letters (\$0.025), envelopes (\$0.040), and postage (\$0.55).

DOR noted OA-ITSD services will be required at a cost of **\$10,569** (111.25 hours x \$95 per hour) in FY 2021.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the supply and mailing costs related to this proposal. Oversight will reflect the OA-ITSD costs of \$10,569 on the fiscal note.

ASSUMPTION (continued)

Revenue Impact

DOR noted this legislation will result in an increase in the \$15 specialty plate reservation fees collected. It is unknown how many applicants will elect to obtain a BackStoppers specialty plate, but the increase should be minimal. Fifteen dollar specialty plate reservation fees are split 75-15-10 to Highways, Cities, and Counties.

Oversight assumes the increase in revenue will be minimal; therefore, Oversight will not reflect the potential increase on the fiscal note.

In response to a similar proposal from 2020 (HB 2429), officials from the **Department of Transportation (MoDOT)** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that MoDOT has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for MoDOT.

§§302.020 & 302.026 - Protective Headgear for Motorcycle and Motortricycle Operators and Riders

In response to a similar proposal from 2020 (HCS for HB Nos. 2193 & 2190), officials from the **Department of Transportation, Department of Public Safety - Missouri Highway Patrol, Department of Corrections, Department of Commerce and Insurance, Office of the State Public Defender and Office of Prosecution Services** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

In response to a similar proposal from 2020 (HCS for HB Nos. 2193 & 2190), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

The proposed changes would require the Department to:

- Update Web pages and procedures outlining the new helmet provisions;

ASSUMPTION (continued)

- Modify the Missouri Driver Guide;
- Modify the Missouri Motorcycle Manual.

FY 2021 Driver License Bureau

Management Analysis Spec II	20 hrs. x \$20.57 = \$411.40
Revenue Manager Band I	15 hrs. x \$20.59 = \$308.85
Administrative Analyst II	4 hrs. x \$17.13 = \$68.52
Management Analysis Spec I	20 hrs. x \$18.42 = \$368.40
Total	= \$1,157.17

The Department anticipates being able to absorb these costs. If multiple bills are passed that require Department resources, FTE may be requested in the appropriations process.

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

Oversight notes there were 211 convictions in FY 2019 and 99 convictions in FY 2018 for failure to wear protective/approved headgear when on a motorcycle in motion. Oversight notes these convictions result in a fine of \$25, with the entire \$25 going to schools. Oversight is unable to determine how many of these convictions were by persons 18 years of age or younger.

Oversight assumes the loss of revenue will be minimal; therefore, Oversight will not reflect this loss on the fiscal note.

In response to a similar proposal from 2020 (HCS for HB Nos. 2193 & 2190), officials from the **Department of Social Services (DSS)** assumed the following regarding this proposal:

Missouri Healthnet Division (MHD) assumes the medical benefits provided under MO HealthNet meet the requirements as specified in the bill to operate a motorcycle without a helmet, whereas uninsured individuals would be prohibited from riding a motorcycle un-helmeted. There are two categories of individuals who would sustain severe traumatic brain injuries (TBI) and result in increased MO HealthNet expenditures.

- 1) Individuals who are privately insured at the time of the accident, but sustain severe TBI and are unable to meet the higher premiums charged by private health insurance plans or are forced to spend down resources and become eligible for Medicaid because of their disability.

ASSUMPTION (continued)

- 2) Individuals who are Medicaid recipients at the time of the accident and sustain severe TBI.

The Missouri State Highway Patrol reported 1,979 non-fatal injured persons resulting from motorcycle crashes in 2014. MHD assumes 95% of the injured persons were age 18 or older ($1979 \times 95\% = 1,880.1$) and all individuals were meeting the current state law requiring helmet use.

Based on crash statistics from the National Highway Transportation and Safety Administration, 4.7% of helmeted motorcyclists involved in a crash suffered from severe TBI whereas 7.3% of un-helmeted motorcyclists suffered from severe TBI.

Therefore, MHD assumes 88.4 persons sustained severe TBI injuries in 2014 (most current data available) as a result of motorcycle crashes while wearing helmets ($1,880.1 \times 4.7\%$). This number would increase to 137.2 individuals with severe TBI injuries if helmets were no longer required under state law ($1,880.1 \times 7.3\%$). Therefore, it is estimated that 48.8 individuals will sustain severe TBI as a result of this legislation ($137.2 - 88.4$).

- 1) MHD assumes that of these 48.8 individuals, 30% will ultimately spend down their resources and qualify for Medicaid, and will be classified as totally and permanently disabled (PTD). MHD assumes that some individuals would qualify more quickly than others. MHD assumes that of those individuals with new TBIs, 15% would qualify within the first year, 22.5% would qualify within the second year, and 30% would ultimately qualify within three years.

Based on these assumptions, MHD assumes 7.3 new PTD in FY 2021, 18.3 in FY 2022, and 32.9 in FY 2023. In addition, MHD assumes that TBIs will be life-long injuries; therefore, the number of individuals being served under Medicaid will continue to compound.

Based on FY 2019 annual Medicaid expenditures for a recipient with PTD trended annually by a 5.1% inflationary factor, MHD estimates an annual first year cost of \$22,076.67 per person for a total first year cost of \$161,160 in FY 2021.

- 2) MHD further assumes that of the 48.8 individuals annually sustaining severe TBI as a result of this legislation, 7.05% (based on current Medicaid recipients ages 18-64 divided by the general Missouri population ages 18-64) will be Medicaid recipients at the time of the accident, or 3.4 individuals.

Based on a 2013 report issued by the Arkansas Spinal Cord Commission, the average acute care Medicaid costs for TBI was \$15,783 (average from 2007-2012). This initial cost was inflated by a three year average Hospital Market Basket Trend from SFY 2010 through SFY 2018.

ASSUMPTION (continued)

Therefore, the initial hospitalization cost is estimated to be \$21,240 per person in FY 2021 or \$72,216.00 (\$21,240* 3.4 individuals).

The one-time acute care costs are in addition to the annual cost to care for a person with TBI. The average cost for a custodial parent (based on FY 2018 expenditures) is \$5,962.83. MHD assumes annual expenditures will increase to the PTD level for an annual increase of \$14,023.27 per person sustaining a TBI as a result of this legislation.

This amount is trended annually by 5.1%. MHD estimates the annual costs for caring for an individual with TBI will be \$47,679.12 (\$14,023.27* 3.4 individuals each year). The total annual cost for individuals who are Medicaid recipients at the time of the accident is \$124,882.40 (\$72,216.00+ \$52,666.40). MHD assumes that TBIs will be life-long injuries; therefore, the number of individuals being served under Medicaid will continue to compound.

This cost reflects expenditures incurred by the Division of MO HealthNet. Any Medicaid services incurred by the Department of Health and Senior Services (DHSS) and the Department of Mental Health (DMH) will be included in their responses.

MHD estimates the total impact as follows:

FY 2021: Total - \$286,042; GR - \$99,734; Federal - \$186,308
FY 2022: Total - \$609,622; GR - \$212,557; Federal - \$397,065
FY 2023: Total - \$1,053,288; GR - \$367,250; Federal - \$686,038

Each year, an additional 14.6 privately insured individuals would gradually become eligible for Medicaid as a result of a severe head injury sustained while riding a motorcycle without a helmet. 3.4 Medicaid recipients would sustain severe head injuries annually while riding a motorcycle without a helmet.

In response to a similar proposal from 2020 (HCS for HB Nos. 2193 & 2190), officials from the **Department of Mental Health (DMH)** assumed the following regarding this proposal:

Currently, the Division of Developmental Disability (DD) waiver programs' eligibility requirements mandate that a diagnosis of developmental disability be assigned prior to the age of 22 for inclusion into a waiver program, except for an intellectual disability, which must be assigned prior to the age of 18 (see Section 630.005, RSMo).

ASSUMPTION (continued)

This proposal would allow for expansion of the number of eligible DD Medicaid Waiver participants, in that riders 18 to 21 years of age could sustain a traumatic brain injury (TBI) while operating a motorcycle or motortricycle without protective headgear, thereby potentially qualifying them for DD waiver services.

DD estimates an average cost per day of \$375 (\$136,955 / yr.) for residential services. Utilizing the methodology below, the following increased costs could occur: \$143,256 state share increased cost per year, plus \$410,865 federal share increased cost per year. The total increased cost per year could equal \$717,225. This estimate could also rise and fall based on the federal FMAP for DMH Medicaid waiver services.

Data from the Missouri State Highway Patrol, United States Census Bureau, Centers for Disease Control, and fiscal data from the Division of Developmental Disabilities were utilized to arrive at an estimated fiscal impact.

For this analysis, the DMH assumes riders 18-21 years of age would be in compliance with Section 302.026.1, RSMo, at the time of a motorcycle crash resulting in TBI, and would be covered by a health insurance policy or other form of insurance which will provide the person with medical benefits for injuries incurred as a result of an accident while operating or riding on a motorcycle or motortricycle. Given the nature of treating TBI in a hospital setting and current inpatient healthcare costs, we assume this amount of coverage would serve to defray or cover an individual's medical bills, but would not serve as a mitigating eligibility factor for future placement in a DMH waiver program.

Crash Rates

The MO State Highway Patrol reports 1,852 personal injury motorcycle crashes in 2017, injuring 2,161 people (see Missouri State Highway Patrol, Statistical Analysis Center, Missouri Traffic Safety Compendium, Report Year 2017, Report 7.1 - Crashes Involving Motorcycles by Crash Severity and Personal Injury Severity). Link:

<http://www.mshp.dps.missouri.gov/MSHPWeb/SAC/Compendium/TrafficCompendium.html#>

The State's ten year average for motorcycle crashes between 2008 and 2017 is 1,840 and 2,145 for persons injured (see Report 7.1 for the years 2008 through 2017 - same link as above).

In 2017, the number of crashes increased 1.89% from the preceding year (see Missouri State Highway Patrol, Statistical Analysis Center, Missouri Traffic Safety Compendium, Report Year 2017, Report 7.2 - Motorcycle Involved Crashes by Annual Percent Change - same link as above).

ASSUMPTION (continued)

Based on available data for 2013 through 2017, projections indicate Missouri will have experienced an average of 2,081 motorcycle crash injuries per year between 2018 and 2022 (see Missouri State Highway Patrol, Statistical Analysis Center, Missouri Traffic Safety Compendium, Report 7.1 - Crashes Involving Motorcycles by Crash Severity and Personal Injury Severity for the years 2013 through 2017 - same link as above).

State Demographics

The United States Census Bureau estimates that in 2017 the percentage of persons aged 18 to 21 years old residing in Missouri comprised 5.218% of the total state population, or 319,000 persons out of 6,113,532 (Citation: Annual Estimates of the Resident Population by Single Year of Age and Sex for the United States, States, and Puerto Rico Commonwealth: April 1, 2010 to July 1, 2017 Source: U.S. Census Bureau, Population Division Release Date: June 2018).

Head Injury Rate of Occurrence

The federal Centers for Disease Control reports an incidence rate for head injury requiring hospitalization of 60.1 per 100,000 people aged 15-24 in 2014. The Centers for Disease Control released this report in 2014, which is the most recent in-depth national-level study on the frequency of TBI-related medical encounters, including hospitalization and emergency department visit data for the years 2006-2014. Comparing this data to the census data previously discussed yields an estimate of 259 persons aged 18 to 21 per year in Missouri who will experience a head injury requiring hospitalization (persons aged 18 to 21 in MO / CDC unit of measurement x CDC incidence rate).

DD Community Placements & Cost Estimate

In 2019, the Division of DD admitted 47 individuals with head injuries (data is based on the diagnosis entered in DMH's client services system when the consumer is admitted).

DD estimates an average cost per day of \$375 (\$143,445/yr.) for residential services.

- The state share of this cost in FY 2021 is \$47,752 ($\$136,955 \times 34.867\%$ state share = \$47,752).
- The federal share of this cost in FY 2021 is \$89,203 ($\$136,955 \times 65.133\%$ federal share = \$89,203).
- The total cost in FY 2021 is \$410,865.

Estimated Annual Fiscal Impact

Assuming a 5% rate of TBI incidence due to motorcycle crashes for each year between 2020 and 2024 for individuals aged 18 to 21 in Missouri, a total of 15 additional individuals or 3 people per year could become eligible for DD waiver services.

ASSUMPTION (continued)

Utilizing the Division of DD's cost estimates for FY 2021, this represents an annual increased cost to the DMH of \$143,256 of general revenue per year ($\$47,752 \times 3 = \$143,256$). In addition, there would be an annual increased cost to the DMH of \$267,609 of federal funds per year ($\$89,203 \times 3 = \$267,609$).

The Department assumes we would receive the federal Medicaid match dollars. Thereby making the net cost to DMH the \$143,256 per year in general revenue funds.

In response to a similar proposal from 2020 (HCS for HB Nos. 2193 & 2190), officials from the **Department of Health and Senior Services (DHSS)** assumed the following regarding this proposal:

Changing the helmet law will increase the number of individuals incurring a traumatic brain injury, thus there will be an increase in participants requesting services through the following programs: Adult Brain Injury (ABI), Children and Youth with Special Health Care Needs (CYSHCN), Healthy Children and Youth (HCY), and Medically Fragile Adult Waiver (MFAW).

Based on motorcycle crash statistics provided by the Missouri State Highway Patrol, there were 1,860 personal injuries that resulted from motorcycle crashes in 2018.

Of these 1,860 injuries, 104 involved persons age 18 to 20 and 1,570 involved persons age 21 through 64. According to a National Occupant Protection Use Survey, it is estimated that half of those persons would not be wearing a helmet if this proposed legislation is passed; resulting in 52 (age 18-20) and 785 (age 21-64) individuals involved in a motorcycle crash while not wearing a helmet ($104 \times .50 = 52$ and $1,570 \times .50 = 785$).

Based on assessment of other states, if 50 percent of those individuals experience a traumatic brain injury (TBI), and 50 percent of those with a TBI are eligible for program enrollments, there would be 13 additional participants dually enrolled in CYSHCN and HCY ($52 \times .50 \times .50 = 13$), with 50 percent (or 6.5 participants) of the HCY enrollments aging out into the MFAW Program in subsequent years ($13 \times .50 = 6.5$), and 196 additional enrollments to the ABI Program per year ($785 \times .50 \times .50 = 196.25$).

The average cost per participant for CYSHCN is \$858.92 per year. The total needed for CYSHCN services would be \$11,166 ($\858.92×13 participants) per year.

Both HCY and MFAW are partially federally funded at 65.588 percent federal and 34.867 percent state Medicaid match (FY 2020 FMAP rate).

ASSUMPTION (continued)

The average cost per participant to provide services through the HCY Program is \$21,042 per year. The total needed for HCY services would be \$273,550 ($\$21,042.27 \times 13$ participants), funded as \$178,171 by federal and \$95,379 by the state.

The average cost per participant to provide services through the MFAW Program is \$99,858 per year. The total needed for services through the MFAW Program would be \$649,078 (6.5 MFAW participants \times \$99,858), funded as \$422,764 by federal and \$226,314 by the state.

The current average cost per participant to provide rehabilitation services through the ABI Program is \$2,458 per year. The total needed for rehabilitation services would be \$481,768 ($\$2,458 \times 196$ participants).

The increase in participants would also require the ABI Program to add five additional Service Coordinators, based on the fact that currently there is an average of 40 participants per Service Coordinator caseload ($196/40$ participants per Service Coordinator).

Service Coordinators provide case management for participants enrolled in the ABI Program and are contracted through local public health agencies (LPHA) at a cost of \$66,800 per Service Coordinator. The total needed for all five additional Service Coordinators would be \$334,000 ($\$66,800 \times 5$ Service Coordinators).

Participation in the ABI Program is subject to available funding and without additional funding any potential new participants will be added to a waiting list for rehabilitation services. In Fiscal Year 2019, there were 108 Missourians on the ABI Program wait list, with a wait time of over 176.5 days before rehabilitation services were provided through the program.

It is clear that additional program participants would result in the ABI Program requesting additional funding for the program.

Given that CYSHCN and HCY participants age out of the programs by age 21, it is estimated that the influx of these two programs' new participants will be offset each year by the outflux of the programs' participants. The impact to the ABI and MFAW Programs will be additional participants each year (additional annual impact plus the impact from the previous year) since the average length of enrollment in the program is greater than the three years estimated in this fiscal note. Given that one of the eligibility requirements for the MFAW Program is that the program participant ages out from the HCY Program, the additional impact on MFAW will not be experienced until Fiscal Year 2022.

ASSUMPTION (continued)

Brain Injury Fund

Currently there is a two dollar surcharge collected for the Brain Injury Fund (Section 304.028, RSMo) from the fines assessed for each citation given for failure to wear protective headgear.

If it is no longer illegal to not wear protective headgear for those age 18 and over, it would cause a decrease in the amount collected for the Brain Injury Fund.

According to the Missouri State Highway Patrol there were 447 citations made in 2017 and 545 citations in 2018 for failure to wear protective headgear while riding a motorcycle for those age 18 and older. This is an average of 496 citations each year. Therefore it is estimated that revenue to the Brain Injury Fund will decrease by approximately \$1,000 each year from the current level of collection.

Oversight assumes the decrease in the Brain Injury Fund will be minimal; therefore, Oversight will not reflect this decrease on the fiscal note.

Oversight notes the Brain Injury Fund (0742) had a fund balance of \$902,055 as of March 31, 2020.

Oversight notes the language in this substitute changed the age from 18 to 26 years old. The agency responses to HCS for HB Nos. 2193 & 2190 are based on the previous language (18 years or younger); however, this will not change the fiscal impact of these sections.

Oversight assumes some people 26 and over could choose not to wear protective headgear as a result of this proposal. Accordingly, there may be an increase in injuries or the severity of injuries to motorcyclists not wearing protective headgear which may **indirectly** result in increased costs to the state. Oversight assumes no **direct** fiscal impact to state and local governments from the protective headgear exemption.

Oversight also assumes the Department of Health and Senior Services and the Department of Mental Health will request increased appropriations depending on the actual increases in TBI paid for by the state.

§§302.170 & 302.181 - Digital Driver's License Program

In response to a similar proposal from 2020 (HB 2280), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

ASSUMPTION (continued)

Administrative Impact

The proposed legislation will require amendments to our current vendor contract or a request for procurement of a new license vendor contract to implement a digital driver license option, also referred to as the Mobile Driver License Application (mDL).

The cost for the digital driver license program is based on estimates provided by the Department's current licensing vendor. The Department will seek additional appropriations if a decision is made to move forward with full implementation.

There is a \$4.49 annual subscription fee associated with the purchase of an mDL, which is paid by the mDL holder to the app store when downloading the application and activating the mDL. This fee includes the app store fee and the vendor's fee. Once the app store collects its portion of the fee, the remaining fee balance is passed on to the vendor for its services.

Implementation and Program Services	\$700,000 one time
Cloud Hosting Charges	<u>\$400,000 per year</u>
First year total	\$1,100,000

Each year following: \$400,000

The actual final pricing could potentially be higher or significantly lower depending on the final scope, requirements, adoption trends, development of the alternate business models, etc. Potential models exist that could reduce and possibly eliminate these costs. Until an RFP is issued and responses from potential contractors come in, the Department will assume the high end of the cost estimates.

Oversight does not have any information to the contrary in regards to DOR's assumptions; however, DOR has indicated the \$1,100,000 cost in FY 2021 could be lower depending on several factors. Therefore, Oversight will reflect DOR's costs of "Up to \$1,100,000" on the fiscal note.

DOR note to implement the proposed legislation, the Department will be required to:

- Work with Office of Administration to amend the current license issuance vendor contract or issue a Request for Proposal (RFP) to compare available pricing and technology for Mobile Driver License Applications;

ASSUMPTION (continued)

- Complete business requirements and design documents to modify the Missouri Electronic Driver License (MEDL) Central Issuance system, the Missouri Driver License System (MODL), Missouri AAMVA Interface (MAI), and supporting applications to allow for integration with the Mobile Driver License Application (mDL);
- Update forms, manuals, letters, and the Department website;
- Update the on-line and printed versions of the Missouri Driver Guide, Missouri Motorcycle Guide and Commercial Driver License Manual;
- Update policies, procedures, and the Uniform License Issuance Manual (ULIM);
- Train staff; and
- Deploy outreach efforts to inform the public, state and federal agencies and other entities using the Department of Revenue issued driver or nondriver license (identification card) for verification of identity of the Mobile Driver License Application (mDL).

FY 2021 - Driver License Bureau

Administrative Analyst II	1,512 hrs. @ \$17.13 per hr.	= \$25,901
Management Analysis Spec II	2,352 hrs. @ \$20.57 per hr.	= \$48,381
Revenue Manager	756 hrs. @ \$20.59 per hr.	= \$15,566
Total		= \$89,848

FY 2022 - Driver License Bureau

Revenue Processing Tech II	1,008 hrs. @ \$13.07 per hr.	= \$ 13,175
Administrative Analyst II	1,531 hrs. @ \$17.13 per hr.	= \$ 26,226
Management Analysis Spec II	3,659 hrs. @ \$20.57 per hr.	= \$ 75,266
Revenue Manager	766 hrs. @ \$20.59 per hr.	= \$ 15,772
Total		= \$130,439

FY 2022 - Personnel Services Bureau

Administrative Analyst II	1,176 hrs. @ \$17.13 per hr.	= \$20,145
Management Analysis Spec II	1,176 hrs. @ \$20.57 per hr.	= \$24,190
Total		= \$44,335

Oversight assumes DOR could hire additional FTE as a result of this proposal. Based on the number of hours required to implement this proposal, Oversight assumes DOR could hire up to 4 additional FTE. Oversight will reflect the costs of potential FTE in the corresponding years the work will be required. Oversight assumes required hours over 1,080 may necessitate an additional FTE to be hired; therefore, Oversight assumes DOR may need 2 additional FTE in FY 2021 and four additional FTE in FY 2022.

ASSUMPTION (continued)

Below is a summary of the FTE costs by fiscal year:

FY 2021 (10 Months) - Driver License Bureau

1 Administrative Analyst II
1 Management Analysis Specialist II
Salary plus fringe benefits = \$106,249

FY 2022 - Driver License Bureau

1 Administrative Analyst II
1 Management Analysis Specialist II
Salary plus fringe benefits = \$128,542

FY 2022 - Personnel Services Bureau

1 Administrative Analyst II
1 Management Analysis Specialist II
Salary plus fringe benefits = \$128,542

In response to a similar proposal from 2020 (HB 2280), officials from the **Department of Transportation (MoDOT)** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that MoDOT has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for MoDOT.

§302.205 - Medical Alert Notation on Driver's Licenses and Identification Cards

In response to a similar proposal from 2020 (HCS for HB 1334), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

The proposed legislation would require the Department to work with our license issuance vendor to modify the card design for driver license and nondriver identification card printing to include a medical notation for specific medical conditions, illnesses, and disorders. The current card format does not have the available space to allow for a string of information as it appears to be required by the proposed language.

ASSUMPTION (continued)

Redesigning the card to allow this additional notation may require reduction of important license restriction information or the card may not comply with the 2016 Card Design Standards. DOR would need to:

- Work with the driver license issuance vendor to modify driver license and nondriver license card design to allow for placement of the proposed data string detailing the requested medical notation;
- Complete business requirements and design documents to modify the Missouri Electronic Driver License (MEDL) issuance system, the Central Driver Information System (CDIS), and the Missouri Driver License System (MODL) in relation to the medical alert notation;
- Complete programming and user acceptance testing of the Missouri Electronic Driver License (MEDL) issuance system and supporting applications;
- Submit a change request to the current license vendor to modify the fillable donor information section on the back of the driver license and nondriver identification card and request a placeholder for a medical information notations;
- Complete testing with factory print facility for data changes and card design changes for the new medical alert notation;
- Update forms, manuals, correspondence letters, and the Department website;
- Create a new application form for applicants to request a medical notation, including the waiver and space for the physician's sworn statement;
- Update the mail-in application forms for military renewal application;
- Update the on-line and printed versions of the Missouri Driver Guide, Missouri Motorcycle Guide and Commercial Driver License Manual;
- Update policies, procedures, and the Uniform License Issuance Manual (ULIM); and
- Train staff.

FY 2021 - Driver License Bureau

Administrative Analyst II	1,192 hrs. @ \$17.13 per hr.	= \$20,419
Management Analysis Spec II	2,032 hrs. @ \$20.57 per hr.	= \$41,798
Revenue Manager	240 hrs. @ \$20.59 per hr.	= \$ 4,942
Total		= \$67,159

FY 2021 - Personnel Services Bureau

Administrative Analyst III	120 hrs. @ \$19.80 per hr.	= \$2,376
Management Analysis Spec I	120 hrs. @ \$18.42 per hr.	= \$2,210
Total		= \$4,586

ASSUMPTION (continued)

FY 2022 - Driver License Bureau

Administrative Analyst II	40 hrs. @ \$17.13 per hr.	= \$ 685
Management Analysis Spec II	40 hrs. @ \$20.57 per hr.	= \$ 823
Revenue Manager	20 hrs. @ \$20.59 per hr.	= \$ 412
Total		= \$1,920

Total Costs = **\$73,665**

Oversight assumes DOR may hire additional staff due to the amount of hours required to implement this proposal. However, DOR also may handle this internal work without seeking additional appropriation authority. Oversight assumes DOR may hire two additional FTE to staff for the two positions listed above that are anticipated to need over 1,080 hours of work. Therefore, Oversight will range the fiscal impact to DOR from \$0 (work hours specified above will be handled by existing staff with no actual additional state expenditures) to an additional 2 FTE for FY 2021 (\$110,089) only.

DOR noted:

License Vendor Cost FY 2021

Due to the extensive changes that may be required to add this variable notation, the estimated one-time cost for the vendor card redesign development, testing, and implementation is **\$75,000**.

Oversight does not have any information to the contrary in regards to DOR's assumptions regarding vendor costs; therefore, Oversight will reflect DOR's vendor costs on the fiscal note.

DOR noted OA-ITSD states services will be required at a cost of **\$122,197** (1,286.28 hours x \$95 per hour) in FY 2021 to implement these changes.

Oversight notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out the programming changes needed to the MEDL, MODL, and CDIS systems. ITSD estimates the project would take 1,286.28 hours at a contract rate of \$95 per hour for a total cost to the state of \$122,197. Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000 per year when fringe benefits are added. Assuming that all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire an additional IT Specialist to perform the work required from this bill. However, for fiscal note purposes, Oversight will reflect the cost of **\$122,197** as indicated by OA-ITSD and DOR.

ASSUMPTION (continued)

In response to a similar proposal from 2020 (HCS for HB 1334), officials from the **Department of Transportation** and **Department of Health and Senior Services** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a similar proposal from 2020 (HCS for HB 1334), officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assumed the proposal would have no fiscal impact on their organization. MHP will be required to make a change to accept the new field from the DOR, but can make this change with in-house personnel and minimal development time.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

§§302.720 & 302.723 - Disability Accommodations for Commercial Drivers' License Applicants

In response to a similar proposal from 2020 (SB 748), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Work with OA-ITSD to update the Missouri Electronic Driver License system (MEDL) and the Missouri Driver License system (MODL) for data collection or restriction processing;
- Work with the Missouri State Highway Patrol (MSHP) to draft regulation for testing accommodations for CDL knowledge and skills testing;
- Complete programming and user acceptance testing;
- Update procedures and the Department website;
- Update the Uniform License Issuance Manual (ULIM); and
- Update the Missouri Driver Guide and CDL manual.

FY 2021 - Driver License Bureau

Management Analysis Spec II	160 hrs. @ \$20.57 per hr.	= \$3,291
Administrative Analyst II	80 hrs. @ \$17.13 per hr.	= \$1,370
Revenue Manager	40 hrs. @ \$20.59 per hr.	= \$ 824
Total		= \$5,485

ASSUMPTION (continued)

FY 2021 - Personnel Services Bureau

Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$ 198
Management Analysis Spec I	10 hrs. @ \$18.42 per hr.	= \$ 184
Total		= \$ 382

Total Cost = **\$5,867**

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

DOR noted OA-ITSD services will be required at a cost of **\$13,441** (141.48 hours x \$95 per hour) in FY 2021.

Oversight does not have any information to the contrary in regards to DOR's assumptions regarding OA-ITSD costs; therefore, Oversight will reflect these costs on the fiscal note.

Revenue Impact

DOR noted guidance from the Federal Motor Carrier Safety Administration in regards to prohibited use of interpreters for the commercial skills testing under 49 CFR 383.133, is that sign language interpreters are prohibited during the skills testing. Implementation of accommodations that do not comply with Federal test standards may result in a withholding of Federal-aid highway funds apportioned to the State, as defined in 49 CFR 374.401, as up to 4 percent (\$26 million) following the first year of non-compliance and up to 8 percent (\$52 million) in the second and subsequent years of non-compliance.

Based on DOR's response, **Oversight** assumes this proposal could cause non-compliance with federal standards. If Missouri were to become non-compliant, Missouri would risk losing federal funding of \$26 million (4%) in FY 2022 and \$52 million (8%) in FY 2023 and beyond. However, this proposal includes a provision that if Missouri were to be found noncompliant with federal highway authorities, these sections would be null and void; therefore, Oversight will not reflect the potential loss of federal highway funding on the fiscal note.

In response to a similar proposal from 2020 (SB 748), officials from the **Department of Transportation** and **Department of Public Safety - Missouri Highway Patrol** each assumed the proposal would have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

§303.026 - Motor Vehicle Insurance Records

Officials at the **Department of Revenue (DOR)** assume there will be no fiscal impact with utilizing current insurance database until funding for an integrated system is secured.

Oversight notes that DOR has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for DOR.

Officials at the **Department of Revenue (DOR)** assume the following regarding this proposal:

The Department anticipates requiring resources to communicate with optometrists, and to review vision examinations that are submitted. Due to the limited time for analysis for this fiscal note, it is unknown the amount of FTE required, but anticipates needing 0-4 FTE. If the impact of this provisions is too significant for our current staff to absorb, additional FTE will be requested through the appropriations process.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

DOR notes OA-ITSD services for system requirements for optometrist/DOR vision exam submission will be required at a cost of **\$336,528** (3,542,.40 hours x \$95 per hour) in FY 2021.

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

§303.200 - Residual Insurance Market Entities

In response to a similar proposal from 2020 (HB 1648), officials from the **Department of Commerce and Insurance (DCI)** assumed the proposal would have no fiscal impact on their organization.

ASSUMPTION (continued)

Officials from DCI stated that there is no fiscal impact to DCI because these high risk pools are currently already in operation and the department is already overseeing their operations. This legislation will not change or alter how the department oversees these operations.

The language updates the organizational structure of the governing bodies of these high risk pools and provides personal liability protection to those serving at no compensation on these non-profit Boards and Commissions. Recent litigation around the country has revealed personal liability exposure for these non-compensated Board members. This language is intended to protect the individual board members from their personal liability; any professional liability arising through their official acts would still be covered by the high risk pools themselves.

As to the auto insurance high risk pool plan legislative language, this language allows the plan to change how policies are administered - by adding additional approved contractual arrangements.

It adds provisions into the statute regarding assessments; however, that language reflects what was already within the approved Plan of Operation and reflects no change in how assessments for the auto high risk pool have been administered since its inception in the 1950s.

The current contract administrator for the private passenger auto insurance high risk pool, which contracted under the previous statutory language, has given formal notice they intend to terminate their contract. This language will allow the high risk pool to contract with other entities to continue servicing private passenger auto policies in the high risk pool.

Again, these provisions have no fiscal impact to the DCI.

In response to a similar proposal from 2020 (HB 1648), officials from the Department of Revenue assumed the proposal would have no fiscal impact on their organization.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

§304.170 - Weight and Length Restrictions for Trailers Designed to Carry Harvested Cotton

In response to a similar proposal from 2020 (HCS for HB 2128), officials from the **Department of Agriculture, Department of Transportation, Department of Public Safety - Missouri Highway Patrol and Department of Revenue** each assumed the proposal would have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

§§304.172 & 304.180 - Weigh and Load Restrictions for Emergency Vehicles Operating on Interstates

In response to a similar proposal from 2020 (HB 2539), officials from the **Department of Transportation (MoDOT)** assumed the proposal would have no fiscal impact on their organization. MoDOT stated this proposal is a federally mandated correction to current statute, and failure to comply will result in federal monies to the State Road Fund to be redirected to achieving federal compliance. This would cost MoDOT approximately \$2.6 million in one-time signage costs and would cost counties and municipalities approximately \$6.2 million in one-time signage costs.

Oversight assumes this proposal will put Missouri in compliance with federal mandates; therefore, Oversight assumes there will be no additional costs to MoDOT.

In response to a similar proposal from 2020 (HB 2539), officials from the **Department of Public Safety - Missouri Highway Patrol** assumed the proposal would have no fiscal impact on their organization.

§§305.800, 305.802, 305.804, 305.806, 305.808 & 305.810 - Removal and Disposal of Abandoned Aircraft

In response to a similar proposal from 2020 (HCS for HB 1333), officials from the **Department of Transportation (MoDOT)** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that MoDOT has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for that agency.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, several Recorders of Deeds were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

ASSUMPTION (continued)

Oversight assumes the procedures governing the removal and disposal of abandoned aircraft would not be invoked often enough to materially impact the budget of any affected political subdivision.

§306.127 - Temporary Boater Safety Identification Cards Sunset Extension

In response to a similar proposal from 2020 (SB 782), officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assumed the proposal would have no fiscal impact on their organization. MHP notes the Water Patrol Division currently has a system in place regarding the temporary boater identification cards.

Oversight inquired of MHP as to how many temporary boater safety identification cards have been issued. **MHP** stated the following:

CY 2019: 3,561 cards purchased at a cost of \$7.75 each for a total of \$27,597.75 (net)

CY 2018: 2,798 cards purchased at a cost of \$7.75 each for a total of \$21,684.50 (net)

CY 2017: 2,696 cards purchased at a cost of \$7.75 each for a total of \$20,894.00 (net)

MHP notes the temporary boater safety identification cards are sold for \$9; however, Jet Pay (payment processing vendor) collects \$1.25 of the \$9.

CY 2019: 3,561 payments processed at \$1.25 each (to Jet Pay) for a total of \$4,451.25

CY 2018: 2,798 payments processed at \$1.25 each (to Jet Pay) for a total of \$3,497.50

CY 2017: 2,696 payments processed at \$1.25 each (to Jet Pay) for a total of \$3,370.00

Oversight notes the fund balance in the Water Patrol Division Fund (0400) as of March 31, 2020 was \$1,923,629.

Oversight notes that the authority to issue temporary boater safety identification cards and collect the associated fees in Section 306.127, RSMo expires on December 31, 2022. This proposal extends that expiration date to December 31, 2032. Therefore, Oversight will reflect a revenue extension (continuance) of "Less than \$30,000" beginning January 1, 2023 for this proposal. In addition, Oversight will reflect a continuing cost of "Less than \$5,000" beginning January 1, 2023 for a net fiscal impact of "Less than \$25,000."

ASSUMPTION (continued)

§307.015 - Dump Truck Mud Flaps

In response to a similar proposal from 2020 (SB 964), officials from the **Department of Transportation, Department of Public Safety - Missouri Highway Patrol and Department of Revenue** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

§407.1329 - Recreation Vehicle Dealer Agreements

In response to a similar proposal from 2020 (HCS for HB 1912), officials from the **Attorney General's Office and Department of Revenue** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Bill as a Whole

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

ASSUMPTION (continued)

Officials from the **Joint Committee on Administrative Rules (JCAR)** state that the proposal is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Senate Amendment 1

Oversight notes this amendment prohibits funds from the State Road Fund to be used for the financing, development, or operation of a tube transport system.

Oversight assumes this amendment will have no fiscal impact.

Senate Amendment 2

Oversight notes this amendment ensures a public right-of-way necessary for the expansion of Interstate 70 not be impeded or transferred to a public-private partnership for the purpose of constructing a tube transport system.

Oversight assumes this amendment will have no fiscal impact.

Senate Amendment 3

§§217.850, 577.800 & 632.460 - Unmanned Aircraft

In response to a similar proposal from 2020 (HCS for HB 1898), for the purpose of this proposed legislation, officials from the **Office of State Public Defender (SPD)** stated they cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crimes relating to the unlawful use of an unmanned aircraft near a correctional center. These new crimes range from a new class A misdemeanor to a class B felony. The Missouri State Public Defender System is currently providing legal representation in caseloads in excess of recognized standards.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases where the right to counsel attaches.

ASSUMPTION (continued)

Oversight notes over the last three fiscal years, the SPD has lapsed a total of \$153 of General Revenue appropriations (\$2 out of \$28.0 million in FY 2017; \$150 out of \$42.5 million in FY 2018; and \$1 out of \$46.0 million in FY 2019). Therefore, Oversight assumes the SPD is at maximum capacity, and the increase in workload resulting from this bill cannot be absorbed with SPD's current resources.

Adding one additional Assistant Public Defender 1 (APD) with a starting salary of \$47,000, will cost approximately \$74,500 per year in personal service and fringe benefit costs. One additional APD II (\$52,000 per year; eligible for consideration after 1 year of successful performance at APD I) will cost the state approximately \$81,000 per year in personal service and fringe benefit costs. When expense and equipment costs such as travel, training, furniture, equipment and supplies are included, Oversight assumes the cost for a new APD could approach \$100,000 per year.

Oversight assumes the SPD cannot absorb the additional caseload that may result from this proposal within their existing resources and, therefore, will reflect a potential additional cost of (Less than \$100,000) per year to the General Revenue Fund.

In response to a similar proposal from 2020 (HCS for HB 1898), officials from the **Missouri Office of Prosecution Services (MOPS)** assumed the proposal will have no measurable fiscal impact on MOPS. The creation of a new crime creates additional responsibilities for county prosecutors which may, in turn, result in additional costs, which are difficult to determine.

Oversight notes that MOPS has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for MOPS.

In response to a similar proposal from 2020 (HCS for HB 1898), officials from the **Department of Corrections (DOC)** stated the proposal would not have a direct fiscal impact on their organization. DOC notes the legislation includes the requirement that the department post a warning sign, no smaller than 11" x 14". The cost of the sign from Missouri Vocational Enterprise (MVE) is approximately \$65 each. Therefore, the cost to place one sign at all 22 prisons would be \$1,430 (\$65 x 22). These costs will be absorbed by the Department.

Oversight notes §577.800.5 requires a 11" x 14" warning sign at each high capacity venue. Oversight assumes the cost for these signs will be minimal and, therefore, can be absorbed.

ASSUMPTION (continued)

Oversight does not have any information contrary to that provided by DOC; therefore, Oversight will reflect DOC's no impact for fiscal note purposes.

In response to a similar proposal from 2020 (HCS for HB 1898), officials from the each stated the proposal would not have a direct fiscal impact on their respective organizations.

In response to a similar proposal from 2020 (HCS for HB 1898), officials from the **Department of Mental Health, Metropolitan St. Louis Sewer District, Department of Commerce and Insurance, Department of Natural Resources, Department of Public Safety - Fire Safety and Missouri State Highway Patrol, Department of Transportation, Office of State Courts Administrator, Springfield Police Department, St. Louis County Police Department** and the **St. Louis County Department of Justice Services** have each stated the proposal would not have a direct fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

FISCAL IMPACT -
State Government

	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
GENERAL REVENUE FUND				

Revenue -
 title/registration fees
 for ATVs
 (§§300.010 &
 407.815) p. 10

Unknown	Unknown	Unknown	Unknown
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Cost - DOR
 (§§301.140,
 301.190, 301.210,
 301.213, 301.280 &
 301.560) p. 12

Personal Services	(\$87,730)	(\$106,329)	(\$107,392)	(\$108,466)
Fringe Benefits	<u>(\$63,695)</u>	<u>(\$69,872)</u>	<u>(\$70,225)</u>	<u>(\$70,582)</u>
<u>Total Costs - DOR</u>	\$151,425	(\$176,201)	(\$177,617)	(\$179,048)
FTE Change - DOR	3 FTE	3 FTE	3 FTE	3 FTE

Cost - OA-ITSD
 services (§§301.140,
 301.190, 301.210,
 301.213, 301.280 &
 301.560) p. 13

(\$100,858)	\$0	\$0	\$0
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Cost - DOR - OA-ITSD
 (§§301.3069
 & 301.3159) p.18

(\$12,620)	\$0	\$0	\$0
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Cost - DOR - OA-ITSD
 services
 (§301.3174) p. 19

(\$40,528)	\$0	\$0	\$0
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Cost - DOR - OA-ITSD
 services
 (§301.3176) p. 21

(\$10,569)	\$0	\$0	\$0
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<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
Cost - DOR - implementation and program services (§§302.170 & 302.181) p. 31	(Up to \$700,000)	\$0	\$0	\$0
Cost - DOR - cloud hosting services (§§302.170 & 302.181) p. 31	(Up to \$400,000)	(Up to \$400,000)	(Up to \$400,000)	(Up to \$400,000)
<u>Cost - DOR -</u> Administrative costs (ranged from \$0 or up to costs of FTE per fiscal year) (§§302.170 & 302.181) p. 32-33	\$0 to (106,249)	\$0 to (\$257,084)	\$0	\$0
FTE Change - DOR	0 or 2 FTE	0 or 4 FTE	0 FTE	0 FTE
<u>Cost - DOR -</u> Administrative costs (ranged from using existing staff to hiring two (2) additional FTE for FY 2021) (§302.205) p. 35	\$0 to (\$110,089)	\$0	\$0	\$0
FTE Change - DOR	0 or 2 FTE	0 FTE	0 FTE	0 FTE
<u>Cost - DOR - vendor</u> cost for card redesign (§302.205) p. 35	(\$75,000)	\$0	\$0	\$0

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
<u>Cost</u> - DOR - OA- ITSD costs (\$302.205) p. 35	(\$122,197)	\$0	\$0	\$0
<u>Cost</u> - DOR - OA- ITSD costs (\$§302.720 & 302.723) p. 37	(\$13,441)	\$0	\$0	\$0
<u>Cost</u> - DOR - OA- ITSD costs (\$32.300) p. 4	(\$336,528)	\$0	\$0	\$0
<u>Cost</u> - DOR - OA- ITSD costs (\$32.300) p. 4	(\$1,664,226)	\$0	\$0	\$0
<u>Cost</u> - SPD - Salaries, fringe benefits, and equipment and expense (\$§217.850, 577.800, and 632.460, SA 3) p. 44	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<u>Loss</u> - §143.441 Air Freight Forwarders defined as Corporations p. 7	(Unknown)	(Unknown)	(Unknown)	(Unknown)
<u>Loss</u> - Jet Fuel Tax Sales Exemption (\$144.805) p. 6-7	\$0	\$0	\$0	(\$8,847,000)

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
<u>Loss</u> - DOR - lost potential earnings on sales tax revenue (\$301.140, 301.190, 301.210, 301.213, 301.280 & 301.560) p. 13	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(Could Exceed \$3,727,392 to <u>\$3,943,730</u>)	(Could Exceed \$676,201 to <u>\$933,285</u>)	(Could exceed <u>\$677,617</u>)	(Could exceed <u>\$9,526,048</u>)
Estimated Net FTE Change to the General Revenue Fund	3 to 7 FTE	3 to 7 FTE	3 FTE	3 FTE
AVIATION TRUST FUND				
<u>Revenue</u> - Continuation of Direct Payments (\$144.805) p. 6-7	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,979,858</u>
ESTIMATED NET EFFECT ON THE AVIATION TRUST FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,979,858</u>

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
CONSERVATION COMMISSION FUND				
<u>Loss - Jet Fuel Tax</u> <u>Sales Exemption</u> (\$144.805) p. 6-7	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$161,131)</u>
ESTIMATED NET EFFECT ON THE CONSERVATION COMMISSION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$161,131)</u>
PARK, SOIL, WATER FUNDS				
<u>Loss - Jet Fuel Tax</u> <u>Sales Exemption</u> (\$144.805) p. 6-7	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$128,905)</u>
ESTIMATED NET EFFECT ON THE PARK, SOIL AND WATER FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$128,905)</u>

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
SCHOOL DISTRICT TRUST FUND				
<u>Loss - Jet Fuel Tax Sales Exemption</u> (\$144.805) p. 6-7	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$1,289,047)</u>
ESTIMATED NET EFFECT ON THE SCHOOL DISTRICT TRUST FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$1,289,047)</u>
WATER PATROL DIVISION FUND				
<u>Revenue Extension</u> - MHP - Extension of Fee (\$306.127) from 12/31/2022 to 12/31/2032 - \$9 fee on average of over 3,000 cards issued annually (\$306.127) p. 41	\$0	\$0	(Less than \$30,000)	(Less than \$30,000)
<u>Cost - MHP - \$1.25 payment processing fee to Jet Pay</u> (\$306.127) p. 41	<u>\$0</u>	<u>\$0</u>	(Less than <u>\$5,000</u>)	(Less than <u>\$5,000</u>)

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
ESTIMATED NET EFFECT ON THE WATER PATROL DIVISION FUND	<u>\$0</u>	<u>\$0</u>	<u>Less than \$25,000</u>	<u>Less than \$25,000</u>

<u>FISCAL IMPACT -</u> <u>Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
LOCAL POLITICAL SUBDIVISIONS				
<u>Loss - Jet Fuel Tax Sales Exemption (\$144.805) p. 6-7</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$11,800,000)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$11,800,000)</u>

FISCAL IMPACT - Small Business

§143.441 - Small businesses that buy aviation fuel could be impacted as a result of this proposal.

§144.070 - Small motor vehicle dealers could be positively impacted as a result of this proposal.

§§301.140, 301.190, 301.210, 301.213, 301.280 & 301.560 - Small dealerships could be impacted as a result of this proposal.

§303.200 - Small business insurance companies may be impacted by this proposal.

§301.193 - Certain small business used motor vehicle dealers may be impacted by this proposal.

FISCAL IMPACT - Small Business (continued)

§407.1329 - Small business RV dealers may be impacted by this proposal.

FISCAL DESCRIPTION

The proposed legislation modifies provisions relating to transportation.

This legislation is federally mandated (§§304.172 & 304.180), would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation
Department of Public Safety - Missouri Highway Patrol
Attorney General's Office
Department of Commerce and Insurance
Department of Agriculture
Missouri Department of Conservation
Department of Natural Resources
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of Administration - Budget and Planning
State Tax Commission
Department of Economic Development
Public Service Commission
Clay County Assessor's Office
Office of Administration
Office of the Governor
Office of the State Courts Administrator
Office of Prosecution Services
Office of the State Public Defender
Department of Corrections
Metropolitan St. Louis Sewer District
Department of Public Safety - Fire Safety
Springfield Police Department
St. Louis County Police Department
St. Louis County Department of Justice Services

L.R. No. 4390-06
Bill No. SS #3 for SCS for HB 1963 with SA 1, SA 2, and SA 3
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Department of Health and Senior Services
Department of Social Services
Department of Mental Health



Julie Morff
Director
May 15, 2020

Ross Strobe
Assistant Director
May 15, 2020